

# N.C.'S REGIONAL ECONOMIC DEVELOPMENT PARTNERSHIPS

MAY 3, 2012

**DETAILED HANDOUT**

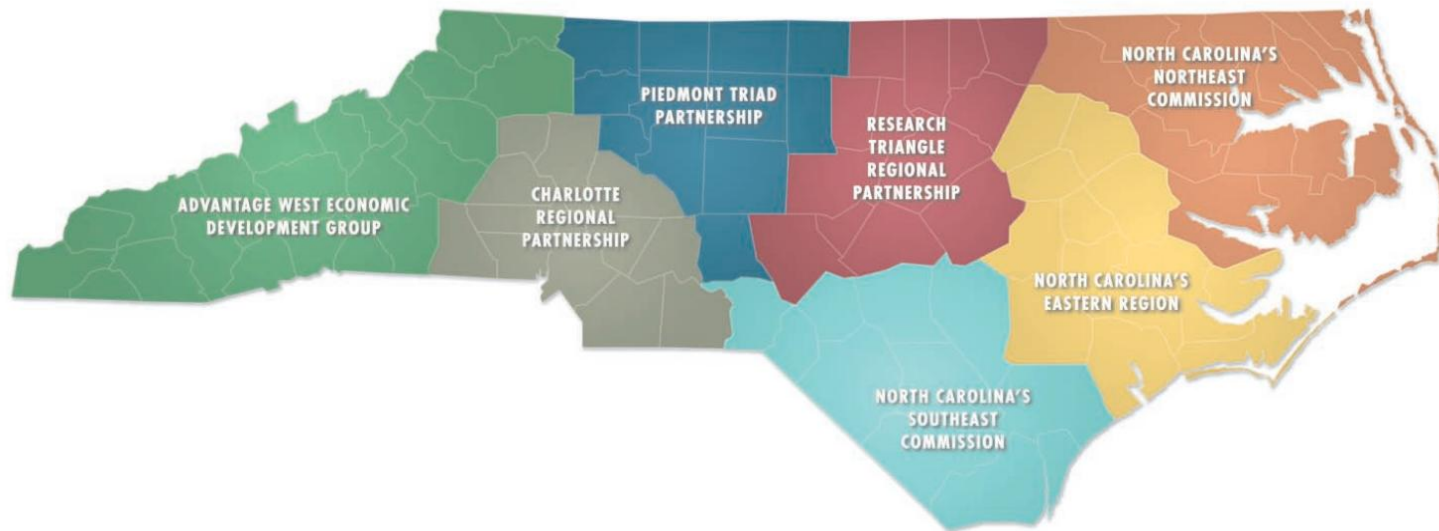
# History of the regional partnerships

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- The three central, more urban regional partnerships were created as private nonprofit organizations:
  - ▣ Research Triangle, 1990 (eventually 13 counties)
  - ▣ Charlotte area, 1990 (eventually 12 counties)
  - ▣ Piedmont Triad, 1991 (eventually 12 counties)
- In early '90s, a bipartisan push created the East Region, a municipality, to promote GTP region, and 13 counties joined
- To boost rural and small-town areas, in 1994 the legislature added counties to the original three urban partnerships and created three regional commissions at the state's corners:
  - ▣ Southeast (11 counties)
  - ▣ Northeast (16 counties)
  - ▣ AdvantageWest (23 counties)

# Most counties depend on state aid

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- Most of NC's counties are outside the state's urban cores
- Their regions rely more heavily on state appropriations
- Without state support, *they could not survive on their own*
- Without the regions' help, most NC counties would have *no economic development research or marketing*

# We leverage your state dollars 1:1

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- The regions are true public-private partnerships
- They are driven by business people, not government
- The partnerships use their state funding to leverage voluntary non-state contributions from other sources that appreciate the partnerships' value to them, including:
  - ▣ Private companies
  - ▣ Private foundations
  - ▣ Participating counties
  - ▣ Federal agencies (Defense, USDA, EDA, Labor, ARC)
- Overall, the match is roughly 1:1 – i.e., for every dollar in state funds, we secure 98 cents in non-state support

# The regional partnerships' missions

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- Coordination with N.C. Commerce Dept., local officials, community colleges, and other colleges and universities
- Diverse marketing efforts
  - ▣ Trade shows and missions
  - ▣ Prospect visits and tours
  - ▣ Web sites, social media
  - ▣ Other promotional material
- Program innovation
- Product development
- Workforce assessment
- Each region tailors its efforts to meet its unique needs

# The importance of regionalism

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- Regionalism is vital to success in economic development, and only we do it in North Carolina
- Markets, employment centers, workforce laborsheds, and transportation networks all are regional
- State and national experts endorse regionalism's reality
- Bipartisan state leadership has embraced regionalism
- Other states are copying NC's successful regional approach:
  - ▣ Ohio
  - ▣ Wisconsin
  - ▣ Michigan
  - ▣ Kansas
  - ▣ Massachusetts
  - ▣ Mississippi

# Partnerships' record of innovation

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- The seven regions are NC's innovative economic-development research and development laboratories
- The concept of certified development sites began as an AdvantageWest initiative, and now is *national*
- The development of industry clusters started as a program of the Research Triangle Regional Partnership, and now is an *official state priority*
- The seven regions *coordinate* their best practices
- The regions also *collaborate* on specific projects
- The partnerships together are pursuing such job-growth sectors as aerospace, life science, and defense

# Program Evaluation's findings

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- Regionalism is the right approach to economic development, your Program Evaluation Division has told you
- PED's confidential survey of business prospects rated the regional partnerships highest among all NC players
- The partnerships have strengthened their financial controls and implemented other recent PED recommendations
- Recurring funding is necessary to develop and sustain strong regional economic development programs, as well as recruiting and retaining high-performing professional staffs
- Funding stability is necessary to attract private donations and to enable long-range economic development planning

# Our reporting and accountability

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- It is a misconception that the partnerships don't report their spending and activities to anyone
- The partnerships file detailed annual reports with N.C. Commerce Dept. and the General Assembly, including a joint oversight committee
- We are accountable to you, the N.C. Commerce Dept., our other investors, and our boards of directors, several of which NCGA controls through appointments
- We have devised uniform reporting standards, while remaining individually responsive to our regions' needs

# Partnership activity so far this year

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<b>PARTNERSHIP REGION</b>	<b>Trade Shows &amp; Outreach Missions</b>	<b>States/Nations Visited</b>	<b>Direct Business Contacts Made</b>	<b>New Projects</b>
<b>AdvantageWest</b>	8	6/0	33	31
<b>Charlotte Region</b>	19	14/4	341	52
<b>Eastern Region</b>	8	8/8	218	17
<b>Northeast Region</b>	6	6/0	156	33
<b>Southeast Region</b>	7	5/0	119	68
<b>Piedmont Triad</b>	16	6/4	92	20
<b>Research Triangle</b>	16	8/2	244	51
<b>TOTAL</b>	<b>80</b>	<b>55/18</b>	<b>1,203</b>	<b>272</b>

# Partnership results so far this year

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<b>PARTNERSHIP REGION</b>	<b>Current Active Project Portfolio</b>	<b>Project &amp; Client Visits</b>	<b>Announced New Jobs*</b>	<b>Announced New Investment*</b>
<b>AdvantageWest</b>	9	19	1836	\$992,405,000
<b>Charlotte Region</b>	46	29	6097	\$1,359,459,902
<b>Eastern Region</b>	22	17	616	\$155,443,605
<b>Northeast Region</b>	77	41	435	\$99,450,000
<b>Southeast Region</b>	45	104	599	\$172,778,077
<b>Piedmont Triad</b>	21	32	3533	\$338,776,605
<b>Research Triangle</b>	39	42	5121	\$788,155,087
<b>TOTAL</b>	<b>259</b>	<b>284</b>	<b>18,237</b>	<b>\$3,906,468,276</b>

# Regions are distinct for a reason

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- All seven regional partnerships share the same core mission: attract economic investment and jobs to NC
- But each region is unique, with distinct characteristics
- That is why each region tailors its programs to fit its individual needs, assets, goals, and opportunities
- Each region features particular priorities, objectives, focuses, programs, and innovations

# AdvantageWest

- Along with its work in advanced-manufacturing recruitment and retention, **AdvantageWest** provides other job-creation initiatives.
- Through its entrepreneurial program, AdvantageWest has created the nation's only Certified Entrepreneurial Community designation.
- AdvantageWest has established a revolving loan fund for high-growth entrepreneurs and a mentoring program through its Blue Ridge Entrepreneurial Council.
- Its 11,000-sq.-ft. commercial kitchen is a model for commercial kitchen incubators across the country.
- The WNC Film Commission was the first point of contact Hollywood-based movie producers made when they began scouting NC locations for the international smash hit movie "The Hunger Games."
- AdvantageGreen focuses on job creation opportunities in green-building, alternative-energy, and natural-products manufacturing.
- Blue Ridge Food Ventures has the nation's only shared-use, GMP\*-compliant natural-products manufacturing facility.

# Charlotte Region



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- The **Charlotte Regional Partnership** markets the Charlotte region, leveraging its fiscal and community resources to promote “Charlotte USA” as a premier business destination and to bring attention to its region as one entity.
- It provides a focused effort to attract outside dollars to the community, without placing an added financial burden on communities to market themselves individually.
- During the normal course of business, the Charlotte Regional Partnership provides custom research and regional assistance for clients during the site-selection process.
- It promotes domestic and international awareness of the Charlotte region through marketing and advertising campaigns.
- The partnership focuses solely on manufacturing, office, distribution, and technology capital-investment projects.

- Along with its numerous outreach programs, the **Piedmont Triad Partnership** markets the Triad's 12 counties to consultants and companies.
- The organization plays a critical role in leading regional efforts in workforce training, site readiness, and other important economic-development objectives.
- Notable examples include:
  - ▣ Piedmont Triad Partnership's pivotal role in the formation of the N.C. Center for Global Logistics.
  - ▣ The vetting and certification efforts for a "mega-site" to help attract an auto manufacturing plant to the state.
  - ▣ Working with community colleges to develop specialized training programs for the region's target industry sectors.
  - ▣ The creation of TriadWorks, a regional organization of workforce development boards.

# Research Triangle



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- The **Research Triangle Regional Partnership** markets a 13-county region for the economic benefit of its communities, directing strategic and tactical efforts to maintain the region's global competitiveness.
- It directs all of its activities and resources toward attaining its vision to be a world leader in intellectual capacity, education, and innovation to enhance productivity and economic growth, and to achieve a superior quality of life for all its citizens.
- RTRP focuses its efforts on expanding 11 targeted industry clusters that represent technology strengths in the region.
- Those target clusters hold the highest potential for boosting economic growth by drawing on the region's most competitive and innovative research and development assets to create sustainable job creation and business investment.

# NC Northeast



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- **NC Northeast** is establishing globally significant niche markets for its region in automotive and aviation testing, agricultural biotechnology, marine trades, and bio-fuels production.
- The Northeast commission's outreach to business developers at the nearby Port of Virginia is readying the Northeast region for opportunities as a staging point for foreign trade and global logistics.
- Long-range capacity-building initiatives by the commission include "middle-mile" broadband telecom deployment and a unique multi-county Science, Technology, Engineering, and Math (STEM) high school focused on agri-science.
- The commission is a leading advocate for Congressional passage of a proposed heritage tourism corridor spanning eastern North Carolina.



# NC Eastern Region

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- Recognizing that a qualified workforce is a powerful recruiting tool across all business clusters, **NC Eastern Region** invested in ASPIRE, its WorkKeys and Career Readiness Certificate (CRC) partnership; NCER now leads all NC regions in CRCs, and NC is #1 in the USA.
- NCER launched North Carolina's first *WorkReady Community* demonstration project to increase graduation rates, employment opportunities, and employer engagement.
- NCER started STEM East, a multi-county pilot project introducing middle-school students to STEM careers, drawing upon talent residing in the region's industrial community to support classroom teachers.
- The STEM East initiative gives students access to computer-aided curriculum modules, providing experiential learning sequences in aerospace, health/life sciences, electronics, energy, value-added agriculture and several advanced manufacturing areas.
- NCER formed a Military Growth Task Force to identify and initiate actions to address issues resulting from USMC and USAF growth – DLI.

- In addition to its strong success in marketing, **NC Southeast** provides valuable leadership on initiatives that directly affect the region's economy.
- NCSE has developed strategies to create value-added economic opportunities with key regional assets in the Southeast region, including agriculture, the U.S. military (Fort Bragg), and the Port of Wilmington.
- NCSE also advocates for innovation in workforce development, and is facilitating a regional workforce analysis involving the community colleges, state universities, K-12, and industries.
- NCSE continues to develop North Carolina's Southeast region as a logistics hub in the global economy.

# Partnership funding has fallen far

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- Despite the regional partnerships' diligent work and evident effectiveness, since 2008 their combined state funding has plunged, from \$6.78 million to \$4.42 million
- That is a drop of \$2.36M, or 35%, while *NC needs jobs*
- Meanwhile, NC's economic-development competition is fierce, and other states are increasing their investments
- We need stable, adequate, recurring state funding to attract additional investments and plan and promote long-range economic development in all 100 counties, as your Program Evaluation Division has recommended

# Regions' funding request: \$5M R

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- Our request for FY 2012-2013 is at least \$5 million in recurring funding, which is 26% below 2007-08
- Last year, when an NCGA committee asked its outside expert how NC should promote economic development, he answered: Invest heavily in research and marketing
- Marketing and research are what we do daily for NC
- A greater state investment in the partnerships would attract additional non-state support, which would strengthen our state's economic-development efforts

# Regional partnership take-aways

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- We are business-led, job-focused, distinct, and effective
- For every dollar the state contributes to our efforts, non-state partners contribute roughly another dollar
- We use our resources to market NC around the U.S. and the world, helping to attract jobs and capital investment
- So far this year we have worked on 272 new projects and helped NC attract 18,000 jobs and \$4 billion in investment
- The state's return on its modest investment is considerable
- Transparent and accountable to you and our other investors

# QUESTIONS???

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